issued to Dedrick. Before discussing the specific claims of the present application, Applicant believes it to be beneficial to review the essential features and advantages of the present invention, and further to examine the teachings of the prior art references, in order to place the discussion of the claims in proper context.

The present invention pertains to a system that includes an Internet web site employing a sweepstakes promotion to attract visitors. To enter the sweepstakes, however, visitors are prompted to provide demographic information, such as age, sex, and household income. The system then utilizes this information to determine what web sites the visitor should be directed to and what advertisements to display. Furthermore, and perhaps more importantly, the system also includes a sales component which is used to provide the sweepstakes prizes, as will be explained in further detail below.

The operation of the system is best explained and summarized by an example: User A has a computer that he would like to sell for $500. Such a user is termed a "prize presenter." Since User A has been unable to sell the computer at the price he wants, he decides to list the computer on the web site that hosts the present invention, listing $500 as the "selling" price of the computer. User B visits the preferred web site and is interested in the computer. User B thus registers as a sweepstakes "player," entering various demographic information in response to questions presented by the system. After registering, User B clicks on the listing for the computer and is re-directed to an advertiser's web site, this site having been selected based on an analysis of the demographic information User B entered when registering. User B is now entered into a sweepstakes for the computer.

The advertiser to whose web site User B was directed pays for the "hit." If, for example,

the advertiser is willing to pay $0.25 for each hit generated by the system of the present invention, after 2000 hits, $500 in revenue would be generated. This is the price User A was seeking for his computer. The sweepstakes for the computer would end, and one of the players entered in this particular sweepstakes would be randomly selected as the winner of the computer. User A is then responsible for delivering the computer to the winner. Once delivery has been verified, User A will receive a check for $500 from the system administrators, the $500 being generated by the advertising revenue associated with the sweepstakes. Of course, in order for the system administrator to realize a profit for providing the sweepstakes and sales services, it is contemplated that each listed item will be "marked up" at a predetermined rate.

This system is attractive to advertisers as it efficiently matches advertisements with users falling within targeted demographics. Since advertisers can better direct their advertisements towards certain individuals or segments of the population, the advertisers are likely to pay a higher price per hit.

Furthermore, and perhaps more importantly, for individuals interested in selling items (i.e., "prize presenters"), the preferred system is an attractive alternative to standard auctions, as the prize presenters can set their price. No negotiation or mandatory acceptance of a bid is necessary.

U.S. Patent No. 6,061,660 issued to Eggleston describes and claims a "System and Method for Incentive Programs and Award Fulfillment." Specifically, the '660 Patent describes a system and method implemented over a computer network that allows a company to purchase prepackaged or self-built incentive programs. Indeed, the stated objective is to provide a system and method that "permits sponsors to build or purchase incentive programs easily and efficiently,

and that provides for convenient tracking of participation and convenient, automated award fulfillment." See Column 5; lines 38-44.

In these incentive programs, targeted consumers are the "users" of the system, and by performing certain activities and satisfying certain criteria, these consumers are given the opportunity to win promotional prizes. See Column 13; lines 45-54. However, it is important to recognize that the prizes awarded to the consumers are not items placed up for sale by other users (i.e., "prize presenters"), but rather are stock retail items selected by the sponsor. See Column 14; line 66 – Column 15; line 8. Indeed, if the sponsor does not provide the prizes itself, it is contemplated that the sponsor choose the prizes from standard catalogs and then "pay for the selected prizes." See Column 15; line 8. In short, the '660 Patent neither teaches or even suggests the concept of allowing an individual to place a particular item "on sale," with that particular item becoming a prize in a sweepstakes, and then receiving payment from revenues generated by advertising directed to sweepstakes entrants.

In the initial Office Action, the Examiner asserts that "Eggleston further discloses that said user is directed to a specific program of a particular advertiser based on said comparison." Applicant respectfully disagrees. The only discussions of advertising contained in the '660 Patent refer to the use of trademarks or logos of a retailer or sponsor in the game interface. For example, the '660 Patent provides that " incentive programs can include additional benefits to the retailer, such as including advertising or product logos as part of the graphical object viewed by the consumer when playing an incentive program; thus, a scratch-and-win game could, for example, include a branded product logo that appears when the product is won." See Column 13; line 67 – Column 14; line 5. Similarly, "a scratch-and-win incentive program may include

the logo or trademark of a company, including the sponsor company, which permits an advertising function directly within the incentive program....It is also possible to include JPEG or GIF images or logos to replace parts of the graphics of third party computer games for inclusion in incentive programs. Images may also be rotated periodically via an image server, so that different images appear in the same graphical portions from time to time." See Column 30; lines 26-42.

Furthermore, in the initial Office Action, the Examiner also asserts that "Eggleston further discloses that...the identifying information related to a sweepstakes player stored and maintained in said first database is compared to the targeting advertising profiles stored and maintained in said third database." Applicant again respectfully disagrees. The '660 Patent does recognize that user activities may be logged for subsequent review, but as for any comparison of identifying information for purposes of directed advertising, the '660 Patent notes only that "[s]ponsors are able to target awards for giveaway by demographic preferences or geography." See Column 42; lines 36-37. In other words, although the identifying information might help sponsors identify attractive prizes, there is no teaching or suggestion in the '660 Patent for using the identifying information for directing users to specific advertisements.

Lastly, although the Examiner asserts that "Eggleston further discloses distributing a particular prize once a predetermined threshold is met," the cited excerpt of the '660 Patent only discusses an example in which a user is eligible for entry into a sweepstakes upon accumulating a certain number of "loyalty points." See Column 30; line 64 – Column 31; line 1. Thus, the eligibility "threshold" is a user-specific threshold based upon the activities of a particular user, not a prize-specific threshold based on the activities of multiple users.

0250W:00003:343354:1:LOUISVILLE   5

U.S. Patent No. 5,724,521 issued to Dedrick describes and claims a method and apparatus for providing electronic advertisements. Specifically, the '521 Patent describes a "consumer scale matching process" that allows for a comparison of "the characteristics of the individual end users with a consumer scale associated with the electronic advertisement." See Column 2; lines 6-8. However, the '521 Patent provides no teaching or suggestion for incorporating such a matching process into a promotional game such as a sweepstakes. Furthermore, although the Examiner asserts that "Dedrick discloses playing games," the only reference to a "game" contained in the '521 Patent is that the client system 12 (Figure 1) or the client interface 23 (Figure 2) that connects to the network may be a personal computer, a television set, or a game machine. In other words, the '561 Patent clarifies that the advertisements may be displayed on not only a personal computer, but also a television set or a game machine that is connected to the network. Regardless, it certainly does not teach or suggest the integration of the matching process into a sweepstakes promotion or sales system.

In view of the above discussion of the cited prior art references, the combination of the references to support an obviousness rejection of all claims is simply improper.

When combining prior art references, the Court of Appeals for the Federal Circuit has repeatedly warned that "[w]hen a rejection depends on a combination of prior art references, there must be some teaching, suggestion, or motivation to combine the references." In re Rouffet, 47 USPQ2d 1453, 1456 (Fed. Cir. 1998). See also In re Oetiker, 24 USPQ2d 1443, 1446 (Fed. Cir. 1992); Diversitech Corp. v. Century Steps, Inc., 850 F.2d 675, 678-79, 7 USPQ2d 1315, 1318 (Fed. Cir. 1988); In re Geiger, 815 F.2d 686, 687, 2 USPQ2d 1276, 1278 (Fed. Cir. 1987); and Interconnect Planning Corp. v. Feil, 774 F.2d 1132, 1147, 227 USPQ 543,

551 (Fed. Cir. 1985)).

As emphasized by the Court of Appeals for the Federal Circuit, such a requirement is a powerful protection against impermissible hindsight reconstruction:

> Our case law makes clear that the best defense against the subtle but powerful attraction of a hindsight-based obviousness analysis is rigorous application of the requirement for a showing of the teaching or motivation to combine prior art references. [citations omitted]. Combining prior art references without evidence of such a suggestion, teaching, or motivation simply takes the inventor's disclosure as a blueprint for piecing together the prior art to defeat patentability—the essence of hindsight.

In re Dembiczak, 50 USPQ2d 1614, 1617 (Fed. Cir. 1999). See also C.R. Bard, Inc. v. M3 Sys., Inc., 157 F.3d 1340, 1352, 48 USPQ2d 1225, 1232 (Fed. Cir. 1998) (describing "teaching or suggestion or motivation [to combine]" as an "essential evidentiary component of an obviousness holding"); and In re Rouffet, 47 USPQ2d at 1459 ("[T]he Board must explain the reasons one of ordinary skill in the art would have been motivated to select the references and to combine them to render the claimed invention obvious.").

As should become clear from the preceding discussion, the '660 Patent describes only a method and system for providing prepackaged or self-built incentive programs to sponsors, but fails to even contemplate many of the features of the present invention, including (1) allowing an individual "prize presenter" to place a particular item "on sale," with that particular item becoming a prize in a sweepstakes, (2) directing sweepstakes players to specific advertisements based on certain identifying information, (3) using revenues generated by the re-direction of sweepstakes players to targeted advertisements to pay the prize presenters, (4) conducting the sweepstakes only after sufficient revenue has been realized to a pay a particular prize presenter.

Similarly, the '521 Patent describes only a method and apparatus for providing electronic

advertisements, but provides no teaching or suggestion for integrating this matching process into a sweepstakes promotion or sales system.

The only teaching or suggestion that supports the combination of the cited prior art references is found in the teachings of the present application. Again, "[c]are must be taken to avoid hindsight reconstruction by using 'the patent in suit as a guide through the maze of prior art references, combining the right references in the right way so as to achieve the result of the claims in suit.'" Grain Processing Corp. v. American Maize-Products Co., 5 USPQ2d 1792 (Fed. Cir. 1988) (quoting Orthopedic Equip. Co. v. United States, 702 F.2d 1005, 1012, 217 USPQ 193, 199 (Fed. Cir. 1983)). "The invention must be viewed not with the blueprint drawn by the inventor, but in the state of the art that existed at the time." Interconnect Planning Corporation v. Feil, et al., 227 USPQ 543, 547 (Fed. Cir. 1985). It is the present application that teaches the combination of sweepstakes contest and a sales system in which revenues generated by re-directions of sweepstakes entrants to specific advertisements generates revenues to pay for items placed "on sale."

In any event, regardless of the propriety of combining the cited prior art references, combining the teachings of Eggleston and Dedrick still would not result in the claimed invention. In this regard, referring to the individual claims of the present application, claim 1 is the first independent claim and recites:

    1.   A system for re-directing users of a global information network to specific advertisements resident on said network, wherein said system includes a sweepstakes component, comprising:

        a first database storing and maintaining identifying information related to a plurality of users, said users having registered with the system and being classified as a sweepstakes player, a prize presenter, or an advertiser;

a second database storing and maintaining information related to a plurality of prizes to be distributed through the sweepstakes component of the system, each of said prizes being associated with a prize presenter registered with the system; and

a third database storing and maintaining target advertising profiles, each of said profiles being associated with an advertiser registered with the system;

wherein when a sweepstakes player enters a sweepstakes for a particular prize, the identifying information related to said sweepstakes player stored and maintained in said first database is compared to the target advertising profiles stored and maintained in said third database, and said user is directed to a specific advertisement of a particular advertiser registered with the system based on said comparison;

wherein said particular advertiser pays a predetermined amount for the directing of said sweepstakes player to the specific advertisement; and

wherein said sweepstakes is conducted to distribute the particular prize once a predetermined revenue has been generated by the directing of users to advertisements.

The cited prior art references, individually or in combination, fail to describe such a system. Specifically, as should be clear from the above discussion of the '660 and '521 Patents, neither reference provides for the comparison of "the identifying information related to said sweepstakes player stored and maintained in said first database ...to the target advertising profiles stored and maintained in said third database" such that "said user is directed to a specific advertisement of a particular advertiser registered with the system based on said comparison." Also, neither reference provides that the "sweepstakes is conducted to distribute the particular prize once a predetermined revenue has been generated by the directing of users to advertisements." These functional steps are critical in ensuring that users are efficiently matched with advertisements, such that advertisers are willing to pay for the re-directions and thus provide revenues for the compensation of the prize presenters. The cited prior art references fail

to even identify such a problem, much less propose a solution.

Claims 2-9 depend from claim 1 and are each believed to be allowable in light of the argument set forth above with respect to claim 1.

Claim 10 is a second independent claim, specifically reciting:

10.   A system incorporating a sweepstakes component for directing Internet traffic to web sites having specific advertisements resident thereon, and generating revenue based upon the number of users directed to said web sites, comprising:

a central station storing (a) identifying information related to a plurality of registered users, each of said users being classified as a sweepstakes player, a prize presenter, or an advertiser, (b) a list of prizes and information related thereto each associated with a registered prize presenter, and (c) a plurality of target advertising profiles each associated with a registered advertiser; and

a plurality of advertisement web sites each associated with one of said registered advertisers and a particular advertising profile;

said central station, in response to each of said sweepstakes players entering into said system and selecting one of said prizes from the list, (a) comparing identifying information of each of said entering and selecting sweepstakes players with said target advertising profiles and directing each entering and selecting sweepstakes players to a specific advertisement web site based on said comparisons, (b) determining revenue due from each registered advertiser in proportion to the number of times a specific advertisement web site associated with said registered advertiser was visited by entering and selecting sweepstakes players, and (c) randomly selecting one of said entering and selecting sweepstakes players for awarding said selected prize thereto when said revenue equals a predetermined value.

Again, as should be clear from the above discussion of the '660 and '521 Patents, neither reference provides for "(a) comparing identifying information of each of said entering and selecting sweepstakes players with said target advertising profiles and directing each entering and selecting sweepstakes players to a specific advertisement web site based on said

comparisons, (b) determining revenue due from each registered advertiser in proportion to the number of times a specific advertisement web site associated with said registered advertiser was visited by entering and selecting sweepstakes players, and (c) randomly selecting one of said entering and selecting sweepstakes players for awarding said selected prize thereto when said revenue equals a predetermined value."

Claim 11 is a third independent claim, specifically reciting:

11.   A method for re-directing users of a global information network to specific advertisements resident on said network, wherein said method includes a sweepstakes component, comprising the steps of:

registering a plurality of sweepstakes players, each of said players providing demographic information in response to a series of inquiries, said demographic information being stored and maintained in an integral user database;

registering a plurality of prize presenters, each of said prize presenters providing identifying information that is stored and maintained in said integral user database, and each of said prize presenters registering one or more prizes for distribution through the sweepstakes component of the system, the selling price of each prize being established by the prize presenter, and the selling price and identifying information associated with each prize being stored and maintained in an integral prize database;

registering a plurality of advertisers, each of said advertisers providing identifying information that is stored and maintained in said integral user database, and each of said advertisers registering one or more target demographic profiles that are stored and maintained in an integral profile database;

providing a means for a particular sweepstakes player to enter a sweepstakes for a particular prize registered with the system, upon entry into said sweepstakes, the demographic information of the particular sweepstakes player as stored and maintained in the integral user database being compared to the target demographic profiles stored and maintained in the integral profile database;

re-directing the particular sweepstakes player to an advertisement of a particular advertiser registered with the system based on said comparison, said particular

advertiser paying a predetermined amount for the re-direction of said sweepstakes player to the advertisement; and

distributing the particular prize to one of the sweepstakes players that have entered the sweepstakes for the particular prize through a random drawing, said drawing being initiated when the advertising revenue generated through re-direction of sweepstakes players exceeds the selling price established by the prize presenter by a predetermined amount.

With respect to Claim 11, not only do the cited prior art references fail to describe the core functional steps of comparing "the demographic information of the particular sweepstakes player...to the target demographic profiles" and "re-directing the particular sweepstakes player to an advertisement...based on said comparison," the references also fail to teach or even suggest that "the selling price of each prize...[is] established by the prize presenter...." This limitation of claim 12 emphasizes that the prizes awarded through the sweepstakes are items placed "on sale" by prize presenters, rather than stock retail items.

Claim 12 is a fourth independent claim, specifically reciting:

12.   A method for causing increased viewing of advertisements displayed on web sites of a global information network using a sweepstakes contest, comprising the steps of:

storing a list of prizes to be awarded a winner of a sweepstakes contest and displaying information pertaining to each prize on said global information network;

storing a list of sweepstakes players and information associated with each of said players;

storing a list of advertisers and demographic profiles associated with each of said advertisers;

receiving a selection of a prize from said list of prizes from each of said players entering the global information network and comparing said information associated with each of said players with said demographic profiles;

placing each of said players entering said network in communication with a specific advertisement web site of one of said advertisers based upon a match between said information associated with said players entering said network and said demographic profiles; and

randomly selecting one of said players selecting said prize for an award thereto of said prize when a predetermined value proportional to the number of times each of said entering players was placed in communication with said specific advertisement web sites has been reached.

Again, neither of the cited prior art references provides for the step of "placing each of said players entering said network in communication with a specific advertisement web site of one of said advertisers based upon a match between said information associated with said players entering said network and said demographic profiles." Furthermore, the cited prior art references fail to teach or suggest the step of "randomly selecting one of said players selecting said prize for an award thereto of said prize when a predetermined value proportional to the number of times each of said entering players was placed in communication with said specific advertisement web sites has been reached."

Claim 13 depends from claim 12 and is believed to be allowable in light of the argument set forth above with respect to claim 12.

Claim 14 is the fifth and final independent claim, specifically reciting:

14.   A network for the display of an item for sale, said network utilizing a sweepstakes contest for the sale of said item, including:

a multiplicity of individual user computers for displaying said item, each of said computers adapted to receive an individual user's affirmation to enter the sweepstakes contest associated with said item, each of said individual users having inputted specific identifying data;

a central control computer for receiving and storing said identifying data,

establishing a value for said item marked up from a price provided by a seller of said item, and transmitting the display of said item to said individual user computers, said central control computer further having an advertiser database and matching said stored identifying data with one or more advertisers in said advertiser database when an affirmation is received; and

a plurality of advertising computers for storing and communicating advertisements;

wherein said central control computer,

in response to receiving an affirmation from each of said individual user computers, placing each of said individual user computers in communication with the advertising computer of said matched advertiser for the display of an advertisement on said individual user computer, hereinafter referred to as a "re-direction," said matched advertisers paying a predetermined amount for each such re-direction;

continuously counting the number of re-directions;

determining the product of said counted re-directions and the predetermined amount assigned to each re-direction as paid by the matched advertisers,
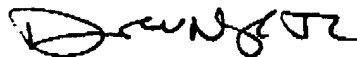
closing said sweepstakes contest when said product equals said established value, and

randomly selecting one of said users associated with a communicated affirmation for award of said item.

As discussed above with respect to the other independent claims of the present application, the cited prior art references fail to describe or even contemplate the core steps of "matching said stored identifying data with one or more advertisers" and "placing each of said individual user computers in communication with the advertising computer of said matched advertiser." Furthermore, the cited prior art references fail to describe the particular functional steps recited in claim 14 for counting the number of re-directions and determining when to close the sweepstakes contest.

In light of the foregoing remarks, Applicants respectfully request allowance of all claims now pending in the present application.

Respectfully submitted,

David W. Nagle, Jr.
Reg. No. 42,923
STITES & HARBISON, PLLC
400 W. Market Street
Louisville, Kentucky 40202-3352
Phone (502) 587-3400
Facsimile (502) 587-6391